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19 October 1960

NSC BRIEFING

ARGENTINA

- I. Argentine President Frondizi's continuing consultations with military chiefs have eased threats of an army coup led by Commander in Chief General Toranzo Montero, but they havenot had time to settle all the army demands which precipitated the crisis on 11 October. We're still watching situation closely while consultations continue.
- A. All of the armed forces approve of Toranzo Montero's demands-- which center on (1) dismissing presidential advisers conciliatory toward the Peronistas, and (2) administration of the state petroleum company.
- B. But many officers disapproved of the threatening terms Toranzo used in presenting demands--this caused blow to army prestige.
- C. Navy and Air Force neutrals in battle, but navy presented respectful memo expressing concerns similar to army's.
- II. Frondizi stood firm on determination to make decisions within his constitutional duties as president but said he would accept constructive suggestions, some of which have been acted upon to soothe the army.
- A. Toranzo Montero retains army command post, and new War Secretary and Chief of Staff appointed.
- B. Commission to consider wide variety of army demands established under Minister of Defense.
- C. Frondizi signed decree 18 October establishing special commission to investigate Communist activities--an army worry.

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D. Accepted resignation of director General of state oil company, friend of Rogelio Frigerio, main unofficial Frondizi adviser and promoter of pro-Peronista policies.

III. Frondizi has kept intact his economic team, headed by Economy Minister Alvaro Alsogaray, which directs the US-backed stabilization program.

A. Military generally supports stabilization program, but may request some changes in administration.

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